

CLASSIFICATION S-E-C-R-E-T

REPORT

CD NO.

25X1

DATE DISTR. 3 June 1955

NO. OF PAGES 2

NO. OF ENCLS.
(LISTED BELOW) 25X1

SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794, OF THE U. S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

25X1

Main Administration

Achieved 1953	Planned 1954	Achieved 1954
------------------	-----------------	------------------

Lignite	- 1.99	- 2.95	- 7.24
Electricity	- 36.67	- 45.96	- 44.03
Electrical Power	-	+ 16.20	+ 7.94
Gas	-	- 6.67	- 8.07
Auxiliary Establishments	-	+ 1.22	- 3.11
Steel Industry	- 26.94	- 27.23	- 31.07
Non-ferrous Metal Industry	- 12.70	- 15.73	- 14.63
Heavy Chemicals	+ 22.10	+ 26.93	+ 23.78
Liquid Fuels	+ 33.84	+ 32.12	+ 29.66
Plastics	+ 34.70	+ 39.85	+ 37.47
General Chemicals	+ 33.80	+ 41.42	+ 38.33
Potash & Non-Metallic Mining	+ 13.45	- 12.85	+ 10.71
Geological Commission	+ 1.09	- 0.10	- 0.55
Construction Establishments	-	+ 4.84	+ 4.79

Ministry Total:	+ 8.73	+ 8.55	+ 5.12
-----------------	--------	--------	--------

2. A comparison of the 1954 figures with those of 1953 does not accurately reflect the earning capacity of the plants since the profitability in 1954 was influenced by certain cost-increasing factors which were not present in 1953. In part these factors were traceable to legislation and in part to influences over which the plants had no control, i.e.

a) Deterioration of geological conditions with respect to the Main Administration for Pit Coal;

CLASSIFICATION

DISTRIBUTION

[illegible]

25X1

25X1

-2-

25X1

- b) Increased consumption of electrical current from the western currency areas through the Main Administration for Electrical Power;
- c) Increased production of products - by the Main Administrations for the Steel Industry and Non-ferrous Metal Industries - which involved an undercoverage of costs (Kostenunterdeckung);
- d) Introduction of the petroleum (Mineraloel) tax by the Main Administration for Liquid Fuels, a tax which did not exist in 1953.

However, it is still evident that when the 1954 costs are compared with those of 1953, the profitability of operation of plants under the Ministry for Heavy Industry has declined. The non-achievement of the planned profitability led to the non-fulfillment of the Yield Plan (Ergebnisplan) by 285,290,600.00 DEM.

Wage Fund:

3. By a decree of the Ministry for Heavy Industry on the 1954 Economic Plan, dated 28 May 1954, the wage total for the Working Force Plans (Arbeitskraeftepläne) of the Main Administrations was cut 40,000.0 TDM
 The decreased wage fund then amounted to 3,025,196.0 TDM
 The Plants' Finance Plans showed a wage fund of 3,056,448.0 TDM
 Total wages paid out amounted to 3,070,372.0 TDM

The wage fund was therefore exceeded by 45,176.0 TDM
 Included in this figure

were wages paid outside the Working Force Plans, overfulfillment awards (Uebererfuellungspraemien), in the amount of 19,112.0 TDM

The excess therefore amounts to 0.86 % or 26,064.0 TDM

Through the excess in wages, an excess resulted in the social insurance payments in the amount of 6,099.0 TDM

4. The following table represents the wage fund excess payments subdivided by the Main Administrations of the Ministry: (Figures in thousands of DEM)

Main Administration	Wage Fund- Finance Plan	Wage Fund- Work Force Plan	Wage Fund Actually Paid	Excess -Underpayment
Lignite	550,412.0	543,688.0	546,897.0	+ 3,209.0
Iron and Steel (Kombi)	163,864.0	159,880.0	163,281.0	+ 3,401.0
Electrical Power	232,751.0	230,032.0	227,715.0	- 2,317.0
Gas	24,790.0	24,267.0	24,708.0	+ 441.0
Steel Industry	439,964.0	430,677.0	441,179.0	+ 10,503.0
Non-ferrous Metal Industry	272,325.0	272,608.0	279,268.0	+ 6,660.0
Auxiliary Plants	31,596.0	30,857.0	31,244.0	+ 487.0
Heavy Chemicals	436,836.0	432,295.0	440,497.0	+ 7,202.0
Liquid Fuels	203,208.0	202,004.0	202,134.0	+ 130.0
Plastics	261,204.0	258,936.0	262,988.0	+ 4,052.0
General Chemicals	82,491.0	81,421.0	81,328.0	- 93.0
Potash-Non-Metallic Mining	145,701.0	146,112.0	145,230.0	- 882.0
	2,845,124.0	2,813,778.0	2,846,569.0	+ 32,791.0
Wages paid outside the Work Force Plans (Uebererfuellungspraemien)			19,112.0	
			2,865,681.0	
Construction Plants (ZKB)	46,365.0	46,365.0	42,750.0	- 3,615.0
Geological Commission	31,169.0	31,281.0	31,535.0	+ 254.0
Trade	133,772.0	133,772.0	130,406.0	- 3,366.0
	3,056,448.0	3,025,196.0	3,070,372.0	+ 26,064.0
Excess of social insurance payments				+ 6,099.0
				+ 32,163.0

S-E-C-R-E-T

25X1

SECRET

25X1

Page Denied

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

REPORT

CD NO.

25X1

COUNTRY East Germany
SUBJECT Fulfillment of the East German Ministry of Heavy Industry Financial Plan in 1954 Profitability

DATE DISTR. 3 June 1955

NO. OF PAGES 2

PLACE ACQUIRED

NO. OF ENCLS.
(LISTED BELOW)

25X1

DATE OF INFO.

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES. WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794 OF THE U. S. CODE, AS AMENDED, ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

25X1

Profitability of Operation:

1. The profitability aspects (Rentabilitaetssatz) of the Finance Plan, based on the returns from the individual establishments under the Ministry for Heavy Industry and without the turnover or trade taxes, amounted in 1954 to.. 5.12 %. According to the 1954 plan it should have amounted to..... 8.55 %. In 1953 it amounted to..... 8.73 %. The following table represents the profitability figures subdivided according to Main Administrations within the Ministry:

Main Administration	Achieved 1953	Planned 1954	Achieved 1954
Lignite	- 1.99	- 2.95	- 7.24
Pit Coal (Steinkohle)	- 36.67	- 45.96	- 44.03
Electrical Power	-	+ 16.20	+ 7.94
Gas	-	- 6.67	- 8.07
Auxiliary Establishments	-	+ 1.22	- 3.11
Steel Industry	- 26.94	- 27.23	- 31.07
Non-ferrous Metal Industry	- 12.70	- 15.73	- 14.63
Heavy Chemicals	+ 22.10	+ 26.93	+ 23.78
Liquid Fuels	+ 33.84	+ 32.12	+ 29.66
Plastics	+ 34.70	+ 39.85	+ 37.47
General Chemicals	+ 33.80	+ 41.42	+ 38.33
Potash & Non-Metallic Mining	+ 13.45	+ 12.85	+ 10.71
Geological Commission	+ 1.09	- 0.10	- 0.55
Construction Establishments	-	+ 4.84	+ 4.79
Ministry Total:	+ 8.73	+ 8.55	+ 5.12

2. A comparison of the 1954 figures with those of 1953 does not accurately reflect the earning capacity of the plants since the profitability in 1954 was influenced by certain cost-increasing factors which were not present in 1953. In part these factors were traceable to legislation and in part to influences over which the plants had no control, i.e.

- a) Deterioration of geological conditions with respect to the Main Administration for Pit Coals

CLASSIFICATION

S-E-C-R-E-T

SECRET	NAVY	HSRB	DISTRIBUTION	CRF	EX	
	NAVY	HSRB				

25X1

25X1

S-E-C-R-E-T

25X1

- b) Increased consumption of electrical current from the western currency areas through the Main Administration for Electrical Power;
- c) Increased production of products - by the Main Administrations for the Steel Industry and Non-ferrous Metal Industries - which involved an undercoverage of costs (Kostenunterdeckung);
- d) Introduction of the petroleum (Mineraloel) tax - the Main Administration for Liquid Fuels, a tax which did not exist in 1953.

However, it is still evident that when the 1953 costs are compared with those of 1953, the profitability of operation of plants under the Ministry for Heavy Industry has declined. The non-achievement of the planned profitability led to the non-fulfillment of the Field Plan (Zielsplan) by 285,290,606.00 TDM.

Wage Fund:

3. By a decree of the Ministry for Heavy Industry on the 1954 Economic Plan, dated 28 May 1954, the wage total for the Working Force Plans (Arbeitskraftpläne) of the Main Administrations was cut 40,000.0 TDM. The decreased wage fund then amounted to 3,025,196.0 TDM. The plants' Finance Plans showed a wage fund of 3,070,372.0 TDM. Total wages paid out amounted to 3,070,372.0 TDM.

The wage fund was therefore exceeded by 45,176.0 TDM included in this figure were wages paid outside the Working Force Plans, over-fulfillment awards (Uebererfüllungsprämien), in the amount of 19,112.0 TDM.

The excess therefore amounts to 0.86 % or 26,064.0 TDM.

Through the excess in wages, an excess resulted in the social insurance payments in the amount of 6,099.0 TDM.

4. The following table represents the wage fund excess payments subdivided as to the Main Administrations of the Ministry: (Figures in thousands of TDM)

Main Administration	Wage Fund- Finance Plan	Wage Fund- Work Force Plan	Wage Fund Actually Paid	Excess Underpayment
Ministry	50,000.0	50,000.0	50,000.0	0
Coal (production of)	20,000.0	19,800.0	19,800.0	200.0
Electrical Power	230,751.0	230,052.0	227,715.0	2,317.0
Gas	24,790.0	24,267.0	24,708.0	44.0
Steel Industry	439,964.0	430,677.0	431,179.0	10,508.0
Non-ferrous Metal Industry	272,325.0	272,603.0	279,268.0	6,650.0
Auxiliary Plants	31,596.0	30,897.0	31,244.0	63.0
Heavy Chemicals	436,836.0	433,295.0	440,497.0	7,202.0
Liquid Fuels	203,208.0	202,004.0	202,134.0	130.0
Plastics	261,204.0	258,936.0	262,988.0	4,052.0
General Chemicals	82,491.0	81,421.0	81,328.0	93.0
Potash Non-Metallic Mining	145,701.0	146,112.0	145,230.0	882.0
	2,845,124.0	2,813,778.0	2,845,559.0	32,791.0
Wages paid outside the Work Force Plans (Uebererfüllungsprämien)			19,112.0	
			2,864,671.0	
Construction Plants (ZKB)	46,365.0	46,365.0	46,750.0	3,615.0
Geological Commission	31,169.0	31,281.0	31,335.0	22.0
Trade	133,772.0	133,772.0	130,406.0	3,366.0
	3,056,448.0	3,025,196.0	3,070,372.0	26,064.0
Excess of social insurance payments				6,099.0
				32,163.0

25X1

25X1

25X1

Page Denied